

Senator Jeff Sessions, ranking member of the Senate Budget Committee has pointed out that our per capita government debt is already larger than Greece's. Per person, our government owes over \$49,000 compared to \$38,937 per Greek citizen. Our debt has just reached 101% of our Gross Domestic Product. Our creditors see this and have quietly slowed down or stopped their lending to us. As a result, the Federal Reserve has been outright monetizing debt as a way to patch things together and keep the economy on life support a little longer. There is rapidly shrinking demand for our debt, and confidence in the dollar is falling. This phenomenon is hidden only by the fact that confidence in all other fiat currencies is falling faster.

None of this seems to really alarm the administration, obviously, as they have just released a budget that accelerates spending and borrowing. The reason the debt and deficits plague the economy, according to this administration, is that the American economy is not taxed enough. Therefore, hidden in the fine print of the budget is a provision that ramps up the corporate dividends tax rate from its current 15% to 39.6%. In addition, certain deductions and exemptions will be phased out; an additional 3.8% Obamacare investment tax surcharge will be tacked on, bringing the effective dividend tax rate to 44.8% in 2013. Keep in mind, this is not just a tax on big business, this is a tax on anyone who depends on dividend income to live - retirees will be hit hard by these changes and dividend yielding stock prices will adjust downward rapidly to reflect their decreased value.

Not only this, but the Obama administration is worsening the uniquely American policy of taxing income of US based companies earned overseas. No other country presumes to tax globally in this manner, so it amounts to a huge penalty for basing a company in the US. Companies have been able to manage this penalty by deferring taxation until it is repatriated or by paying dividends. What will happen to US based businesses with strong international ties if these allowances are abolished as the Obama administration proposes? A massive wave of permanent capital flight will undoubtedly cause the already high levels of unemployment to rise.

Businesses are struggling and failing in this economy. The government ultimately depends on a healthy business climate to provide jobs and a tax base. It is penny wise and pound foolish to add to business tax burden in a misguided attempt to close the colossal gap between our government's revenue and spending. Rather than crippling and absorbing more of our shrinking economy, government needs to be drastically cut - not in 10 years, but immediately.

Those who understand the underpinnings of the dollar and how the Federal Reserve works have known for some time that we are on an unsustainable course, that major chaos is in store

if nothing is done quickly to reform things. Politicians pay lip-service to reforms that never materialize or turn out to be at best small and meaningless, or at worst actively harmful. It seems more and more inevitable that because the necessary changes would be too inconvenient for the elites to enact now, we will get them later Greek-style, through collapse and chaos.